

MAY 27 2003

**Before the State of South Carolina
Department of Insurance**

STATE OF SOUTH CAROLINA
DEPARTMENT OF INSURANCE
33

In the matter of:)
)
First National Ins. Co. of America,)
)
Safeco Plaza)
Seattle Washington 98185.)
_____)

SCDI File Number 117588

**Consent Order
Imposing Administrative Penalty**

This matter comes before me pursuant to an agreement entered into between the State of South Carolina Department of Insurance and First National Insurance Company of America (First National), an insurer licensed to transact insurance business within the State of South Carolina.

I hereby find as fact, that First National failed to pay within 15 days a final judgment rendered against it by the South Carolina Workers Compensation Commission in the proceeding entitled Catherine Cruel vs. Intex Aviation, SCWCC file number 9607030, in the amount of \$220. First National also acknowledges, and I find as fact, that it failed to pay that same judgment within fifteen days of being notified of its need to do so. This is a direct violation by First National of § 38-55-120 of the South Carolina Code, which can ultimately lead to the revocation of an insurer's certificate of authority, pursuant to that Code section as well as §§ 38-2-10 and 38-5-130, to transact the business of insurance within the State of South Carolina, following a public hearing before the Administrative Law Judge Division.

Prior to the initiation of formal administrative disciplinary proceedings by the Department against it, First National and the Department agreed to submit the entire matter to me, along with their specific recommendation, for my summary decision. That consensual recommendation was that, in lieu of the Department's filing of a petition to revoke First National's certificate of authority to transact business as an insurer within the State of South Carolina, the insurer would waive its right to a public hearing and immediately submit to the Department an administrative penalty in the total amount of \$1,000.

After a thorough review of the matter, and after carefully considering the recommendation of the parties, and pursuant to my findings of fact and conclusions of law, although I can now revoke First National's certificate of authority, I hereby impose an administrative penalty in the amount of \$1,000 against the insurer pursuant to the authority provided to me by the State of South Carolina General Assembly in S.C. Code Ann. §§ 38-5-130 and 38-2-10 (Supp. 2002). The administrative penalty must be paid within ten days of my date and my signature upon this consent order. If this amount is not paid on, or before, that date, then First National's certificate of authority to transact business as an insurer within the State of South Carolina will be summarily revoked without any further administrative disciplinary proceedings.

DA First National Insurance Company of America
- Page 1 of 3 Pages -

This administrative penalty has been reached by the parties as a result of First National's full payment of the Workers Compensation Commission judgment and of the insurer's assurance that in the future it will timely pay final judgments rendered against it in South Carolina. This penalty includes all expenses related to investigation of this matter as provided in Section 38-13-70 of the South Carolina Code. The parties expressly agree and understand First National's payment of the agreed-upon penalty constitutes full accord and satisfaction of this matter.

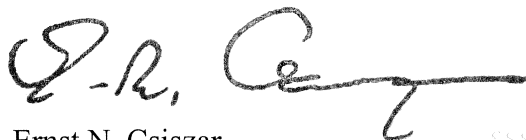
By the signature of one of its officers or authorized representatives upon this consent order, First National acknowledges that it understands that this order is a public record subject to the disclosure requirements of the State of South Carolina's *Freedom of Information Act*, S.C. Code Ann. §§ 30-4-10, *et seq.* (1991 and Supp. 2002).

Nothing contained within this administrative disciplinary order should be construed to limit, or to deprive any person of, any private right of action under the law. Nothing contained within this administrative disciplinary order should be construed to limit, in any manner, the criminal jurisdiction of any law enforcement or judicial officer. Nothing contained within this administrative disciplinary order should be construed to limit the statutory duty, pursuant to S.C. Code Ann. § 38-3-110 (Supp. 2002), of the Director of Insurance, exercised either directly or through the Department, to "report to the Attorney General or other appropriate law enforcement officials criminal violations of the laws relative to the business of insurance or the provisions of this title which he considers necessary to report."

It is, therefore, ordered that First National Insurance Company of America shall, within ten days of my date and my signature upon this consent order, pay to the Department an administrative penalty in the total amount of \$1,000. The Department by its signature hereby acknowledges receipt of said administrative penalty which was paid by First National on May 16 2003.

It is further ordered that a copy of this consent order shall be immediately transmitted to the National Association of Insurance Commissioners for distribution to its member states.

This consent order becomes effective on the date of my signature below.



Ernst N. Csiszar
Director

May 19, 2003, at
Columbia, South Carolina

I CONSENT:

Dawn Armstrong
Signature of Authorized Representative

Name Dawn Armstrong

Unit manager
Title

First National Insurance Company of America
Safeco Plaza
Seattle, Washington 98185

Dated this 21st day of May, 2003